

News Release

DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT

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**CSD Interim Director to Welcome Community Organizations, Local
Representatives and Others to *Addressing Poverty Through Asset Building*
Symposium in Burbank**

*When Federal Refunds are Claimed Low-Income Families Win, California Businesses Win, and
the State's Economy Wins*

Department of Community Services and Development (CSD) Interim Director John A. Wagner will deliver welcome remarks at *Addressing Poverty Through Asset Building*, a symposium to support asset building and Earned Income Tax Credit (EITC) programs and policies throughout California on **Tuesday, November 15, 2011** at the **Burbank Airport Marriott in Burbank, CA at 9 a.m.** This event is open to credentialed media. **Media wishing to attend this event must RSVP to rarrezola@csd.ca.gov and lynn@cal-neva.org.**

This one-day learning session will help local organizations around the state prepare for the upcoming tax season through providing useful tools, resources and best-practices on what communities, practitioners, community based organizations, and individuals can do to increase the number of eligible low-income, working families that claim available tax credits such as the federal EITC.

“The EITC program is one of the largest and most successful antipoverty programs in the nation, but it is estimated that 800,000 Californians eligible for EITC did not claim \$1.2 billion in refunds in 2009,” said CSD Interim Director John A. Wagner. “All eligible Californians should take advantage of this powerful resource. I commend all of the local representatives, community organizations and individuals coming together tomorrow with the shared goal of helping working families take advantage of these great asset building resources and programs.”

Need for Asset Building Programs

Recent data released by the U.S. Census show low-income families and individuals continue to be among those hit hardest under the struggling economy. These figures show that over the last year there has been an increase in poverty and a decrease in household purchasing power both nationwide and in California:

- Last year, the national poverty rate was the highest since 1993 at 15.1 percent, with more than 46 million people with incomes below the federal poverty line (\$22,113 for a family of four). The median household income fell nationally by more than 2 percent from 2009 to 2010.
- California's poverty rate rose to its highest level in more than a decade to 16.3 percent in 2010, with about 6 million Californians living below the federal poverty line. The median household income fell in California by more than 4 percent from 2009 to 2010.

EITC and asset building programs pay off many times over as they provide working families with disposable income, and as these dollars get spent they spur local economic activity and tax revenue. Some of the findings in a report by the [New America Foundation](#) include:

- In 2009, an estimated 800,000 Californians, about one in five who are eligible, did not claim \$1.2 billion in EITC refunds.
- When EITC refunds go unclaimed, businesses and the economy suffer. California businesses lost out on \$1.4 billion in sales and 8,200 jobs were not created because \$1.2 billion in EITC refunds were not claimed.

CSD EITC and Asset Building Partnership Programs

Under the Community Services Block Grant (CSBG) American Reinvestment and Recovery Act (ARRA), CSD administered a targeted program to increase the use of EITC among low-income California households. The department received federal approval to award one percent of the state's CSBG ARRA award, equal to just under \$900,000, for this targeted EITC program. CSD awarded these funds to 21 community based organizations throughout the state that provided services to increase EITC filers in California. Some examples of the services provided included free tax preparation and application services, and asset development programs such as financial education and credit counseling. This resulted in over 28,000 low-income participants claiming more than \$15 million in EITC refunds.

On top of this targeted program, nearly 40,000 low-income Californians participated in tax preparation programs in 2010 offered by more than 45 community based organizations that partner with CSD through CSBG. In aggregate, these participants claimed over \$46 million in any type of federal or state tax credit in 2010.

CSD is continuing this effort under a partnership with the California/Nevada Community Action Partnership (Cal/Neva) to develop an EITC Resource Bank for CSBG community based organizations interested in starting new or expanding asset building programs. The EITC Resource Bank will help encourage and equip these community based organizations with the necessary resources and tools to get involved in EITC outreach and start Volunteer Income Tax

Assistance programs, also known as VITA sites, as well as provide a forum to share best practices in EITC outreach and VITA operations.

EITC

EITC is a refundable federal income tax credit that helps [low to moderate income](#) working individuals and families keep more of what they earn. According to the IRS:

- [Over 26 million people nationwide received nearly \\$59 billion in EITC. These figures include nearly 3 million people from California claiming almost \\$6.5 billion in EITC.](#)
- [The average EITC amount claimed in California was \\$2,229.](#)
- [Between 75 to 80 percent of those eligible for the credit claim it.](#)
- [EITC lifted an estimated 6.6 million people out of poverty, including 3.3 million children.](#)

Addressing Poverty Through Asset Building is sponsored by Cal/Neva and convened by the California EITC and Asset Building Coalition (CEABC) and California Assembly Select Committee on Financial Empowerment. For more information or to register to attend the Symposium, please visit www.cal-neva.org.

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CSD partners with a statewide network of community based organizations dedicated to helping low-income Californians achieve and maintain self-sufficiency, meet their home energy needs and reside in housing free from the dangers of lead hazards. CSD administers California's federal funding share for the Community Services Block Grant, Low-Income Home Energy Assistance Program, Weatherization Assistance Program and Lead-Based Paint Hazard Control Program. For more information about CSD and these programs, please visit www.csd.ca.gov.